

## **SECTION 4 - CONSULTING SERVICES**

### **4.1 Services**

Agencies authorized to procure software and services under this Master Agreement may engage the CONTRACTOR to perform consulting services based upon the terms set forth in this Section. Agencies may request that the CONTRACTOR provide such services based on any of the following pricing models: a time and material basis or a fixed price basis. All pricing for consulting services must be based on the hourly rates set forth in this document, and may, at the agency's option, be for 'loaded' or 'unloaded' services (see below).

### **4.2 Statements of Work**

Upon receiving a formal request from an authorized agency to acquire software and/or services hereunder, the CONTRACTOR shall, at no cost to the agency, develop, submit, negotiate and mutually agree on a written Statement of Work (herein "SOW") with the agency to provide such software and/or services. The SOW shall be initiated by the CONTRACTOR within twenty (20) business days after receiving the request from the agency, or as soon as practical thereafter, depending on the scope of the request. The SOW shall contain a description of the tasks to be completed by the CONTRACTOR and/or its subcontractors, the proposed implementation and migration methodologies, the responsibilities of each party, and the deliverables (i.e., software, business functions, reports, documentation, training, etc.) to be provided to the agency. The SOW will also contain a schedule of performance, including a list of milestones, a payment schedule with cost separated by category, and any other information deemed appropriate by the parties. The SOW shall also contain a project plan developed in Microsoft Project, and the criteria and a time period for acceptance testing for all deliverables to be provided to the agency. The costs shall be based upon the rates set forth in Attachment 1 and license agreements attached hereto as Exhibits 1 and 2, as appropriate. The CONTRACTOR shall submit the SOW to the Statewide Oversight Committee or Project Management Office for its review and approval, as required by the State. The CONTRACTOR shall also submit the SOW for all state government agencies to the Comptroller General's Office for its review and approval to ensure compliance with the State's long-term strategic direction of implementation of this software.

### **4.3 Consultant/Integration Fees**

The CONTRACTOR will develop prices for the work to be performed in a SOW using the rate schedule set forth in Attachment 1 to this Master Agreement. The rates contained in this Exhibit, unless indicated otherwise, are fully "loaded" rates and include all (i.e., travel, hotel, airline and out-of-pocket) expenses. An authorized agency, at its sole option, may elect to pay such expenses, in which case the loaded rates in Attachment 1 would be reduced by seven (7%) percent (unloaded rates) for each category of service. In SOWs where unloaded rates are used, the CONTRACTOR may only charge travel

expenses to an authorized agency that are allowable under the State's Travel Regulation, which are published, from time-to-time, by the Comptroller General's Office, and the CONTRACTOR will only be reimbursed for such expenses up to the rates allowed under these Regulations. No other expenses are reimbursable. The CONTRACTOR will invoice for consulting services on a semi-monthly basis. The CONTRACTOR will complete and maintain detailed timesheets that supports all charges for consulting services performed as part of any agency project. The agency will pay such charges in accordance with Paragraph 1.20 of this Master Agreement.

#### **4.4 State Travel Regulations**

If an authorized agency elects to pay the travel expenses for any consulting services provided hereunder, the CONTRACTOR agrees to utilize State approved/designated accommodations and to limit expenses to State meal, mileage, per diem and miscellaneous travel allowances. Air travel shall be limited to "coach" and shall be scheduled in a manner to insure the greatest overall savings to the State. The State will cooperate with the CONTRACTOR to secure, or to permit the CONTRACTOR to take advantage of, these arrangements. An agency's Project Manager must approve all such travel in advance.

#### **4.5 Agency's Project Manager**

Once a SOW is approved, the agency will appoint a Project Manager to oversee the performance of all tasks contained in the SOW. The Project Manager will oversee the activities assigned to both CONTRACTOR and agency personnel, and will be responsible for authorizing such actions as are necessary to keep the project on schedule. The Project Manager will review and approve all deliverable, training, and ensure that acceptance testing is conducted in a timely manner (as specified in the SOW). The Project Manager will approve changes in the scope of the project, and will approve all change orders. As such, the Project Manager will be responsible for administering and managing all activities of the project for the agency.

#### **4.6 Interfaces with Central/Legacy Systems**

For any deliverable provided by the CONTRACTOR or its subcontractors that creates an interface between the SAP or Team IA software and a central/legacy system, the Comptroller General's Office and the Office of Information Resources (OIR) in the South Carolina Budget and Control shall receive a royalty-free, paid up, worldwide, non-exclusive license for such software. This includes copies of all programming code, source code, documentation, object code, executable code, and elements necessary to operate, alter and/or maintain the interface product, which shall be provided to OIR upon receipt of final payment by the CONTRACTOR. OIR may, at its sole option, share and/or sub-license such interfaces to other agencies eligible to participate under this Master Agreement, update/modify these software interfaces, etc. This provision supercedes any provision to the contrary in this Master Agreement and the license

agreements for the SAP or Team IA software. As such, OIR may use these software interfaces in any manner that it deems appropriate.

- 4.6.1 The CONTRACTOR agrees to design the interfaces required by State agencies to access (both inbound and outbound data) the State Payroll System and the Statewide Accounting and Reporting System (STARS) as set forth in an applicable SOW, and to work with OIR and the Statewide Oversight Committee, if necessary, to charge each State agency with its pro rata share of the cost for the use of these interfaces.

#### **4.7 Disruption of Services**

The CONTRACTOR acknowledges that all tasks and services perform under a SOW agreed to hereunder shall be undertaken with a minimum disruption in an agency's business, administrative, and computer operations. The CONTRACTOR will coordinate such tasks and services with the agency's Project Manager in order to avoid conflicts with agency operations.

#### **4.8 Compliance with Health, Safety and Security Standards**

The CONTRACTOR agrees to comply with all applicable health, safety, and security regulations of the agency and the State of South Carolina.

#### **4.9 Implementation/Status Meetings and Communications**

The CONTRACTOR'S representative(s) will organize and participate in an authorized agency's regular implementation/status meetings and will develop such minutes and reports necessary to outline and describe the issues/progress being made toward achieving the milestones set forth in the SOW. Further, and at times and places established by the agency, the CONTRACTOR'S representatives will attend, either personally or by video, additional meetings and/or other discussions with agency personnel to review the status of implementation, to receive any comments, complaints, or other information from the agency, and to assist in problem resolutions and "lessons learned" discussions. Minutes will be prepared by the CONTRACTOR'S Project Manager (see below), and submitted to the agency for review and comment. These minutes/reports will be used to keep track of ongoing events and issues so as to maintain a continuum of information concerning problems, solutions, and, overall, the efforts of the agency and the CONTRACTOR to implement the SAP and/or Team IA software. This information will be provided to all stakeholders (i.e., agency management, the State's PMO, project teams, etc.), as appropriate.

#### **4.10 Change Management**

The CONTRACTOR will be responsible for establishing and maintaining a change management system for each agency project. The change management system will be part of a formal process for identifying and tracking proposed changes to the

scope of a project, with the overall goal being to ensure that all stakeholders understand the impact of such changes. The CONTRACTOR will log each request and assign it a number and priority. The CONTRACTOR will also attempt to investigate the impact of the requested change as it affects resources and project schedule. The CONTRACTOR will inform the agency of the anticipated impact of the change and the agency will decide whether the CONTRACTOR should implement the change, study the issue further, or reject the change. If the change is agreed to by the agency, the SOW must be revised accordingly, and if the change resulting in additional charges to the agency, a change order must be issued. The agency will be liable for no additional charges unless a change order is issued and the scope of the SOW is amended to include the proposed change. If the requested change requires customization to the SAP or Team IA software, the CONTRACTOR agrees to review this change with the State's PMO and/or State Oversight Committee, as required by the State.

#### **4.11 CONTRACTOR'S Project Manager/ Consulting Staff**

The CONTRACTOR shall assign a Project Manager to each authorized agency that acquires software and services hereunder. The Project Manager shall have at least two (2) years experience overseeing the implementation of ERP software, preferably SAP, in similar size organizations. He/she will have a sound knowledge of ERP software and how it is used by public sector organizations in their operation, management and administrative areas. The Project Manager will also have an extensive knowledge of the runtime software or the data base software being used by the agency. The CONTRACTOR'S Project Manager will be responsible for the following job functions:

- a. Facilitate the design, implementation and operation of the software as specified in the SOW and this Master Agreement.
- b. Coordinate all of the CONTRACTOR'S activities to achieve the milestones set forth in the SOW.
- c. Work closely with the agency's Project Manager to oversee and administer the software until final acceptance by the agency.
- d. Participate in status/implementation meetings and assist the agency's Project Manager in maintaining minutes to identify any issues that require follow-up, and insure these issues are resolved.
- e. Consult with end users assisting in the design, development and implementation of software, standard and ad hoc reporting, workflow, and imaging applications necessary to resolve any technical, operational, management and administrative issues.
- f. Coordinate with the State's Project Management Office or Statewide Oversight Committee, as appropriate.

- g. Such other duties and responsibilities as are set forth in the RFP, this Master Agreement and the SOW.

The agency shall have the right to request that the Project Manager or any consulting staff be replaced with thirty (30) business days written notice to the CONTRACTOR. The agency shall also have the right to review candidates for the replacement of the Project Manager or consulting staff prior to any replacement commencing such functions and duties, which approval shall not be unreasonably withheld.

### **Warranty Period**

Unless otherwise stated in the SOW, the warranty period shall be ninety (90) days from acceptance for each deliverable.

### **Delays in Performance**

- 4.13.1 Any delays in the performance of the requirements set forth in the SOW must be agreed to in advance by the parties. The only exception is that the agency may delay implementation, with written notice to the CONTRACTOR, for a period not to exceed ninety (90) days without additional cost.
- 4.13.2 Whenever the CONTRACTOR encounters a difficulty which is delaying, or threatens to delay, the timely performance of the requirements of a SOW or this Master Agreement, the CONTRACTOR shall immediately give notice to the agency stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for extension of the delivery schedule or be construed as a waiver by the State or the agency of any rights or remedies to which it is entitled by law or pursuant to the provisions of this Master Agreement. Failure to give such notice, however, may be grounds for denial of a request by the CONTRACTOR for an extension of the delivery schedule because of such delay.
- 4.13.3 If the CONTRACTOR has failed to adhere to the implementation/delivery schedule so as to permit acceptance by the dates set forth in the SOW, then the agency shall notify the CONTRACTOR thereof in writing and the CONTRACTOR shall be obligated and liable as follows:
- 4.13.3.1 If the CONTRACTOR fails to provide any major deliverable (as defined in the SOW) and/or misses three (3) milestones in secession, the agency may request, and the CONTRACTOR must provide at its expense, an independent third party from within its organization to review the project and to take such action as may be necessary for the CONTRACTOR to adhere to the

implementation/delivery schedule. If such problems persist and are not resolved within sixty (60) business days thereafter, the agency may require, and the CONTRACTOR must provide at its expense, an independent third party to review the project and to validate on an ongoing basis the actions taken by the CONTRACTOR to ensure satisfactory performance hereunder until the project is on schedule.

- 4.13.3.2 Provided the agency provides the CONTRACTOR a cure notice with not less than ten (10) calendar days to cure, the agency shall have the right, throughout the implementation phase, to terminate its agreement with the CONTRACTOR if the schedule is materially delayed by more than thirty (30) business days without the express written consent of the agency, subject to force majeure. Such termination shall be at no cost to the agency if the CONTRACTOR is responsible for the material delay.

#### **Establishment of State Knowledge Base**

The CONTRACTOR agrees to assist the State in developing a base of knowledge in the design, installation and implementation of the SAP and the Team IA software products, and in the training of agency personnel required to use this software. The CONTRACTOR also agrees that, at the State's option, personnel from other agencies may participate in the implementation activities of any agency conducted by the CONTRACTOR hereunder. The CONTRACTOR further agrees that it will work with the State should the State decide to use this knowledge base to design, install or implement this software, in whole or part, for other authorized agencies.

#### **Project Management Office**

In the event the State establishes a Project Management Office (PMO), the CONTRACTOR agrees to fully cooperate with, and to provide all information requested by, the PMO to conduct its planning and management activities. The CONTRACTOR will meet and provide the PMO with updates on all ongoing and new SOWs and project plans. This includes providing the PMO with all documentation required to review and assess proposed customizations to the SAP and Team IA prior to such customizations being made by the CONTRACTOR. The State will be responsible for staffing the PMO and sharing information across the enterprise.

#### **Statewide Oversight Committee**

The State has established a Statewide Oversight Committee to oversee the implementation of the SAP and Team IA software on an enterprise basis. This Committee will help ensure that this software is designed and implemented in a

consistent manner by all State agencies. The CONTRACTOR agrees to work within the guidelines established by this Committee. The CONTRACTOR'S methodology will be modified to incorporate these guidelines. If the Committee established additional guidelines, State agency projects will be modified accordingly. If these changes result in any additional cost, a change order will be processed and approved by the agency or the State, as appropriate.

### **Implementation Templates**

In an effort to assist the State in reducing the cost of implementing the SAP and Team IA software, the CONTRACTOR agrees to allow multiple agencies to participate on a single SOW for the design, install and implement such software. The CONTRACTOR will provide implementation/integration services for one of the agencies, which must be logically grouped together by size or function (i.e., the BARS agencies, small school districts, etc.), and will provide a template for use by the other participating agencies to conduct their own implementation. All agencies may send a representative to the implementation/status meetings, can participate in testing and acceptance, can receive copies of policies and documentation, etc. as specified in the SOW. The CONTRACTOR may provide assistance to these agencies on a time and materials basis as requested by each agency.

### **Training**

The CONTRACTOR and the participating agency will identify and include in the SOW the knowledge transfer approach and specific training to be provided for each group of users within the agency. This will include the various levels, types, sources and timing (e.g. rollout/implementation) of such training. The CONTRACTOR agrees that its will make every effort to provide such training in a cost-effective manner. This will include, where possible, developing training programs that can be reused by the State and other participating agencies. It will also include providing training in electronic format and using a train-the-trainer approach where possible. All training materials developed by the CONTRACTOR and its subcontractors for an agency shall become the property of that agency upon final payment for such training. A copy of these materials must also be provided to the State (through its PMO or Statewide Oversight Committee) upon request. The State and the agency may use these materials as they deem appropriate to provide future training for other participating agencies. This includes using other sources to provide such training.

### **Latent Defects**

Acceptance, of software and/or services provided by the CONTRACTOR as herein intended, may be revoked at any time for up to ninety (90) days after the expiration of the warranty period by an agency upon discovery of a latent defect in design, material or workmanship, or a latent nonconformity of the work, material or CONTRACTOR developed software to the specifications as set forth in the RFP, this Master Agreement or the SOW which would have constituted a basis for rejection if

discovered prior to acceptance. Such rejection of acceptance shall be in addition to all other remedies, expressed or implied, and shall not be considered exclusive.

## **SECTION 5: USE OF MASTER AGREEMENT BY AGENCIES**

### **5.1 Type of Contract**

This Master Agreement is a multi-agency contract for the software and services described herein. State agencies may, but are not required to, acquire the software and services provided hereunder. Authorized agencies may elect to participate in this Master Agreement by writing a letter to the Office of the Chief Information Officer and notifying that Office of their intent to participate hereunder.

### **5.2 Use by Non- State Government Procurement Units**

As set forth in Paragraph 1.12 above, procurement units, including municipalities, counties, and political subdivisions, are eligible to cooperatively purchase services under, and pursuant to, this Master Agreement. Accordingly, the CONTRACTOR and State hereby agree to cooperate with one another in advising these governmental units of the availability of this Master Agreement and to take such steps as appropriate to extend the prices, and other terms and conditions, of this Master Agreement to these entities.

### **5.3 Statements of Work**

In order to procure software and services under this Master Agreement, an agency must meet with the CONTRACTOR to develop, negotiate and mutually agree on a written Statement of Work (herein "SOW") to provide such software and/or services. The SOW shall be initiated by the CONTRACTOR within twenty (20) business days after receiving the request from the agency, or as soon as practical thereafter, depending on the scope of the request. The SOW shall contain a description of the tasks to be completed by the CONTRACTOR and/or its subcontractors, the proposed implementation and migration methodologies, the responsibilities of each party, and the deliverables (i.e., software, business functions, reports, documentation, training, etc.) to be provided to the agency. The SOW will also contain a schedule of performance, including a list of milestones, a payment schedule with cost separated by category, and any other information deemed appropriate by the parties. The SOW shall also contain a project plan developed in Microsoft Project, and the criteria and a time period for acceptance testing for all deliverables to be provided to the agency. The costs shall be based upon the rates set forth in Pricing Schedules attached to this Master Agreement. If a State government agency, it must submit the SOW to the Statewide Oversight Committee or State Project Management Office for their review and approval, and to the Comptroller General's Office for its review and approval to ensure compliance with the State's long-term strategic direction.

### **5.4 Project Manager**

An agency acquiring software and/or services under this Master Agreement must assign a project manager to oversee the delivery, installation and implementation of such

software and services for the agency. The agency's project manager will be the primary point of contact with the CONTRACTOR and the Statewide Oversight Committee or Project Management Office. The agency's project manager will be responsible for monitoring the CONTRACTOR'S performance to ensure compliance with the SOW and this Master Agreement.

#### **5.5 Placement of an Order**

An agency may order software and/or services under this Master Agreement by issuance of an agency purchase order to the CONTRACTOR for the amount set forth in an approved SOW. The purchase order may be modified only if there is a formal amendment to the SOW executed by both parties.

The signatories hereunder warrant and declare that they are duly authorized to execute this Master Agreement by virtue of their position and title and are signing on behalf of their respective entity by virtue and strength thereof, or of resolution duly considered and passed by a duly authorized and constituted authority or body of their respective entity, and that, furthermore, it is stipulated and agreed by the parties that this Master Agreement shall be binding upon their respective entity, officers, employees, agents affiliated organizations, shareholders, and their heirs, successors and assigns of each.

**KPMG CONSULTING, L.L.C.**

Timothy V. Perkins  
Authorized Signature:

Print Name: Timothy V. Perkins

Title: Managing Director

Date: 10-18-01

**CHIEF PROCUREMENT OFFICER - ON  
BEHALF OF THE STATE OF SOUTH  
CAROLINA AND AUTHORIZED AGENCIES**

Eric Pinckney for  
Authorized Signature:

Print Name: Eric Pinckney

Title: Procurement Officer

Date: 10-18-01

*TD BB*

**KPMG  
IMPLEMENTATION SERVICES**

<b>Implementation Services</b>	<b>YR 1</b>	<b>YR 2</b>	<b>YR 3</b>	<b>YR 4</b>	<b>YR 5</b>
<b>Project Management</b>					
Managing Director	\$380	\$398	\$418	\$439	\$461
Senior Manager	311	326	342	359	377
Manager	242	254	266	280	294
<b>Implementation Support</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Reports Analysis and Development</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Customization</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Interface Development</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Data Conversion</b>					
Manager	242	254	266	280	294

Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Training</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Staff/Skill Analysis</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Post-Implementation Support</b>					
Manager	242	254	266	280	294
Senior Consultant	207	217	228	240	252
Consultant	155	163	171	180	189
Staff Tech	144	151	158	166	175
<b>Imaging Implementation Services **</b>					
Technician	145	151	158	165	173
Senior Technician	155	162	170	178	186
Analyst	145	151	158	165	173
Programmer	145	151	158	165	173
Trainer	135	140	146	152	159
Project Manager	155	162	170	178	186

\*\* Rates for Imaging Implementation Services are "unloaded" rates.